

Louisiana Property and Casualty  
Insurance Commission  
Louisiana Department of Insurance  
P.O. Box 94214  
Baton Rouge, LA 70804-9214  
www.ldi.state.la.us

Louisiana Property and Casualty  
Insurance Commission  
Monthly Report  
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Summary - 2004 Regular Legislative Session

The 2004 Regular Session convened on Monday, March 29th, and the final adjournment was on Monday, June 21st. This legislative session greeted a new governor and many new lawmakers. There were over 3,000 bills filed during the session. The following are summaries of some of the property and casualty insurance bills that were considered and approved by the Legislature.

**House Bill 109 (Act 742)** by Representative Baudoin and Senators Chaisson, Marionneaux and Schedler amends the present law and requires any person who operates or rides upon a motorcycle, motor-driven cycle or bicycle to wear a safety helmet. This helmet must meet design specifications, and be properly secured with a chin strap while the vehicle is in motion. This Act reinstates a mandatory safety helmet law that was repealed in 1999. Governor Blanco was certainly instrumental in helping this “common sense law” proceed through the system. Louisiana has about 95,000 registered motorcyles. In 2003, there were 79 people killed and 1,459 injuries on motorcycles. In 1998, the last year before repealing mandatory helmet usage, 35 people were killed and 737 were injured. Although the number of motorcycle riders has increased by 50 percent since 1999, the number of accidents has increased by 130 percent.

**House Bill 349 (Act 826)** by Representatives Hebert, K. Carter, Erdey, Faucheux, Jackson, Morrish, Gary Smith, Townsend, Tucker, Walsworth and Richmond establishes that an incident shall be considered a claim only when there is a demand for payment under the terms of an insured’s policy for automobile and homeowners insurance. By making the definition include “demand for payment”, the insurance companies would be protected as well as the consumers. A report of a loss or a question relating to coverage will not establish a claim. The Department of Insurance was receiving a number of complaints regarding cancellation or nonrenewal of homeowners insurance policies. It was found that some insurance companies were using simple inquiries regarding coverage as a “claim”. By establishing a specific definition of a claim, the consumers making simple inquiries regarding their coverage would be protected.

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- ◆ *The Monthly Report* is the newsletter of the Louisiana Property and Casualty Insurance Commission, Louisiana Department of Insurance, 1702 N. 3rd Street, 3rd Floor, P.O. Box 94214, Baton Rouge, LA 70804-9214 225-342-7187 (PH) 225-342-6057 (FX)

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- LA Property & Casualty Insurance Commission Staff**

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- ◆ The Louisiana Property and Casualty Insurance Commission was created by the enactment of R.S. 22:15 in the 2001Regular Session of the Louisiana Legislature to review and examine the availability and affordability of property and casualty insurance in the state of Louisiana. The commission will also undertake a comprehensive study and provide oversight and enforcement recommendations of the effectiveness of law enforcement and implementation of programs aimed at enforcement throughout the state of those laws and programs which affect property and casualty insurance rates.

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**House Bill 797 (Act 770)** by Representative Tucker provides a discount for automobile liability insurance for active military personnel. The discount will be 25 percent of the premium on any automobile liability insurance policy purchased in this state by military personnel. The insurers are in turn entitled to a rebate from the state for an amount equal to the actual discount. The commissioner of insurance shall set rules and regulations to implement these provisions. The premium tax rebate will only grant one-half of the discount for the fiscal year beginning July 1, 2005. The full discount will be effective on July 1, 2006.

**House Bill 1356 (Act 554)** by Representative Shepherd requires a health care benefits provider to pay medical expenses in the event that the workers’ compensation payor has denied that the employee’s injury is compensable under workers’ compensation law. The law also provides that claims filed by the health insurers or providers are not subject to timely filing requirements.

**House Bill 1514 (Act 878)** by Representatives K. Carter and Richmond creates a file and use rating system for all commercial lines of property and casualty insurance. This Act provides guidelines and procedures for the Office of Property and Casualty in the Department of Insurance. The law allows the Office of Property and Casualty to accept, review and approve applications for rate changes within a 45 day period. Disapprovals must be submitted in writing within this time period, and then may be appealed to the Louisiana Insurance Rating Commission by the insurer within 15 days from receiving the written disapproval. The bill allows the commissioner of insurance to adopt rules and regulations to determine if a market is competitive. It also allows for a 45 day file and use in noncompetitive markets. The bill will become effective January 1, 2005.

**Senate Bill 341 (Act 15)** by Senator Chaisson and Representative Futrell and coauthored by Senator Schedler prohibits any passenger in a motor vehicle from possessing and consuming an open alcoholic beverage.

Continued on the following page-

Louisiana Property and Casualty Insurance Commission Members		
Commissioner Robert Wooley		Tom O’Neal
Jeff Albright		Theodore “Ted” Haik, Jr.
Col. Jim Champagne	Representative Karen Carter	Aubrey T. Temple, Jr.
Chuck McMains	Representative Michael Jackson	Nicholas Gachassin
Terry Lisotta	Earl Taylor	Richard Clements
H. “Marc” Carter	Kay Hodges	Chad Brown
Senator James David Cain		Senator John Hainkel

The Act also gives the guidelines and exceptions for certain operators and passengers. These exceptions are:

1. Caterers and others who transport open alcohol containers required by their employment.
2. Passengers who pay to ride in a chartered bus, taxi or limousine.
3. Passengers in courtesy vehicles operated by hotels or casinos.
4. Passengers in motor homes more than 21 feet long.
5. Passengers and krewe members riding on a parade float.
6. Open containers placed in the trunk of a vehicle, a locked glove compartment, or in an area not easily assessible to the driver or passengers.

This new law provides a statewide uniform enforcement, carrying a fine of \$100 and court costs set by local governments, with the exceptions of several parishes and cities with current higher fines and populations over 50,000.

**Senate Bill 852 (Act 730)** by Senators Chaisson and Dupre and Representative Daniel provides for the implementation and maintenance of a DWI electronic database. The Act allows the Department of Insurance to give a one-time gift of up to \$300,000 of surplus money to help expediate the use of the database. The current Article 894 database, created in 1997, needs software updated for proper utilization. The Office of Motor Vehicles will oversee and maintain the database. The Department of Insurance will also partner with all district attorneys’, or any clerk of court’s office for training and usage of the database.

**House Concurrent Resolution 14** by Representative Tucker expresses the intent of the Legislature in passing Act 351 during the 2003 Regular Session. By creating a flexible rating system for property and casualty insurance rates, the intent was to limit any one insurance company from cumulatively increasing its rate by not more than 10 percent in any 12-month period effective January 1, 2004. This resolution clarifies the fact that companies can have multiple increases, as long as the increases do not exceed a total of 10 percent.

**Mark Your Calendars for the LA Property & Casualty Filing Seminar  
August 19th-20th- Poydras Building- LA Department of Insurance**

**For Information, please call: Nicholas Meyers @ 225/219-7813**